Department of Health Care Policy and Financing
Tobacco Tax Update
FY 07-08

Budget Request

NOVEMBER 1, 2006

On February 15, 2006, the Department submitted an update on Tobacco Tax funding to the Joint Budget Committee regarding HB 05-1262. The update focused on how moneys were allocated, expended, and tracked for various programs receiving tobacco tax funds. The following paragraphs and tables provide a continuation of that update, disclosing final expenditures for FY 05-06, and an estimated need for FY 06-07 through FY 10-11.

The Department receives Tobacco Tax funding from four separate sources, each with their own percentage of Tobacco Tax revenues: the Primary Care Fund (19%), the Cash Fund for Health Related Purposes (3%), the Prevention, Early Detection, and Treatment Fund (16%), and the Health Care Expansion Fund (46%). The following is a description of the programs that are funded with Tobacco Tax revenues.

I. The Health Care Expansion Fund

The Health Care Expansion Fund receives 46% of the Tobacco Tax revenue collected by the State in each fiscal year. These funds are used to expand the number of citizens eligible for various Medicaid (Title XIX) and Children's Health Plan (Title XXI) services. In FY 05-06, available funds in the Health Care Expansion Fund totaled $108,529,405, comprised of the previous year's ending fund balance of $28,095,163, the Fund's annual allocation of Tobacco Tax revenues of $78,095,126, and interest of $2,339,116.

Until FY 08-09, yearly revenues into the Health Care Expansion Fund are expected to exceed expenditures, driving the expected fund balance to $202,976,782 (see the Five Year Outlook on page 10 of this document). The Department projects in the Five Year Outlook that, beginning in FY 08-09, annual expenditures are expected to exceed revenues into the Health Care Expansion Fund, causing the fund balance to decrease on a yearly basis thereafter. Tobacco Tax revenue and Health Care Expansion Fund obligations as outlined in the exhibits following this narrative provide further detail on projected revenues. In calculating revenues, the Department has used the Office of State Planning and Budgeting's June 2006 General Revenue Forecast and the FY 05-06 actual earned interest percentage (equal to 2.20% of the annual allocation amount plus the previous year's ending balance) to project future earnings into this fund. It should be noted that tax revenues in future years are expected to decrease for two principle reasons: 1) tobacco consumption in the United States has been decreasing in general; and 2) the passage of HB 06-1175 (The Colorado Clean Indoor Air Act) banned smoking in most public places in Colorado.

The Health Care Expansion Fund pays for expansion populations that are able to enroll in Medicaid and the Children's Basic Health Plan due to changes in eligibility requirements. The following text describes the changes in eligibility requirements as set forth in HB 05-1262.

(a) Children's Basic Health Plan Expansion Populations

There were two different expansion populations created as a result of HB 05-1262. The first population was created by an expansion of the income eligibility criterion that allowed individuals with incomes between 186% and 200% of the federal poverty level to enroll into the program. The 186% to 200% of federal poverty level category contains expenditures related to premiums, dental, and prenatal clients. The second category is all clients that have income up to 185% of the federal poverty level that are enrolled over the FY 03-04 enrollment levels. Total Health Care Expansion Fund expenditures for the Children's Basic Health Plan in FY 05-06 were $5,108,706, which included $497,935 in administrative costs. Please see the Five Year Outlook on page 10 of this document for a breakdown of the appropriation.

Beginning in FY 06-07, the Department estimates an increase in total expansion fund expenditures for the Children's Basic Health Plan Premium Costs and Dental Benefit Costs line items. The Department has submitted Decision Item #3 in this November 1, 2006 FY 07-08 Budget Request that details the combination of increased caseload and rates that is expected to increase expansion population expenditures in FY 06-07 and FY 07-08. Please see Attachment 1, Tables C and D behind this decision item for more information on FY 06-07 and FY 07-08 expenditure estimates.

In projecting the next three years of expenditures in the Children's Basic Health Plan line, the Department calculated expected growth rates for both caseload and per capita costs (see Attachment P, page 11, following this narrative). The Children's Basic Health Plan prenatal caseload growth rate of 14.37% and the premiums growth rate of 8.87% from FY 07-08 to FY 08-09 were calculated by taking the average monthly growth rates for the last three months of actual caseload from the Department's monthly report for Footnote 20, submitted on September 18, 2006. After FY 08-09, the Department assumes that medical, dental, and prenatal caseload growth rates would decay at 25% per annum as this program begins to near its saturation point. For the prenatal population, the Department estimated per capita costs would grow at an actuarially determined 4.7%, per page 27 of the Leif and Associates June 15, 2006 report. Finally, medical and dental premiums growth rates of 3.90% and 2.52%, respectively, are the averages of the prior two years of growth in per capita costs. The per member per month rates used to calculate the medical premiums growth rate are as follows: $104.14 in FY 05-06 (per Decision Item #3: Children's Basic Health Plan change request in the November 15, 2005 FY 06-07 Budget Request, page G.3-20), $105.88 in FY 06-07 and $112.68 in FY 07-08 per Tables C and D of Attachment 1 behind Decision Item #3 in the November 1, 2006 FY 07-08 Budget Request. The dental premiums growth rate calculation uses the FY 05-06 per member per month rate of $11.82 (per Decision Item #3: Children's Basic Health Plan change request in the November 15, 2005 FY 06-07 Budget Request, page G.3-27), $13.30 and $13.97 per member per month rates for FY 06-07 and FY 07-08, respectively (Attachment 1 behind Decision Item #3 in the November 1, 2006 FY 07-08 Budget Request). The Department uses these growth rates to project Health Care Expansion Fund expenditures from FY 08-09 through FY 10-11 in the Five Year Outlook on page 10 of this document.

(b) Removal of the Medicaid Asset Test

Prior to the passage of HB 05-1262, individuals that applied for Medicaid coverage were required to disclose the value of their personal assets, which decreased the likelihood of a positive eligibility determination. However, with the passage of HB 05-1262, one of the requirements for the Health Care Expansion Fund was to eliminate the Medicaid asset test for adults and children. Implementation of the asset test removal, which was initially slated for July 1, 2005, was moved back to July 1, 2006 because the Department needed additional time to implement changes to the State's eligibility determination system, the Colorado Benefit Management System, and payment system, the Medicaid Management Information System. Implementation of the asset test removal occurred on July 1, 2006. The Department's fiscal agent is developing reports that will track the number of clients served and the money spent as a result of the Medicaid asset test removal. Reports are expected to be ready on November 6, 2006.

In FY 06-07, the Department estimates that approximately 12,045 children will be served in the Mental Health Capitation Payments and Medical Services Premiums line items, with total expenditures from the Health Care Expansion Fund estimated at $10,565,998. The Department expects growth in children's caseload and rates in FY 07-08, which is anticipated to bring total estimated Health Care Expansion Fund expenditures to $20,369,637 with an estimated 22,841 clients served. Please see the Mental Health Capitation Payments line item Exhibit F.GG-3 and F.GG-4 for information on FY 06-07 and FY 07-08 Health Care Expansion Fund expenditures. Medical Services Premiums asset test removal expenditures and caseload pertaining to the Health Care Expansion Fund can be found in this November 1, 2006 FY 07-08 Budget Request, Exhibit EA, pages 3 through 6.

The Department has projected expenditures for the asset test removal clients from FY 08-09 through FY 10-11. Beginning in FY 08-09, the Department assumed the Mental Health Capitation Payments line item rates to grow 3.76% (see Exhibit F.EE-3 for further detail) and caseload is expected to grow 1.46% (see Exhibit F.DD-1 for further detail) over projected FY 07-08 figures. The exceptions to these growth rates are in the Children's Extensive Support and Children's Home and Community Based Services populations, as these waivers will have reached their capped enrollment levels by FY 08-09. See page 13 following this narrative for all the Mental Health Capitation Payments line item projections.

Beginning in FY 08-09, the Department assumed that per capita rates for Medical Services Premiums for expansion children due to removal of the asset test would grow at 3.49% (per Exhibit EC-1, Change from FY 07-08 for Eligible Children in this November 1, 2006 FY 07-08 Budget Request) while the adult's asset test removal per capita rates would decrease by 0.44% for the next three consecutive years (per Exhibit EC-1, Change from FY 07-08 for Health Care Expansion Fund Low Income Adults in this November 1, 2006 FY 07-08 Budget Request). Caseload growth anticipated by the Department is the percent change in the total number of expansion fund clients expected to be served by Medical Services Premiums from FY 07-08 of 35,150 (per Exhibit EB-2 "FY 07-08 Tobacco Tax Implementation Adjustment" in this November 1, 2006 FY 07-08 Budget Request) to the total number of expansion fund clients expected to be served in FY 08-09 of 35,281 (per Exhibit EB-2 "FY 08-09 Tobacco Tax Implementation Adjustment" in this November 1, 2006 FY 07-08 Budget Request) which equals 0.37%. The Department projects that expenditures from the Health Care Expansion Fund in FY 08-09 will be $18,661,649 for asset test removal children and $10,005,800 for asset test removal adults (See page 12 following this narrative for all Medical Services Premiums projections).

(c) Children's Extensive Support and Children's Home and Community Based Services Waiver Increase

HB 05-1262 also provided funds to pay for individuals on the Children's Extensive Support (CES) and the Children's Home and Community Based Services (CHCBS) waiver waitlists. When HB 05-1262 passed, there were 478 potential clients on the Home and Community Based Services waiver's waitlist and 148 clients on the Children's Extensive Support waiver's waitlist. Much like the asset test removal clients, Children's Extensive Support and Children's Home and Community Based waiver program clients receive the Mental Health Capitation Payments and Medical Services Premiums line item benefits.

In FY 06-07, the Joint Budget Committee added an additional 200 waiver slots for the Children's Home and Community Based Services waiver (FY 06-07 Figure Setting document, March 13, 2006, page 98). Caseload and per capita rates for the Children's Home and Community Based Services' clients in the Mental Health Capitation Payments program are expected to grow at 1.46% and 3.76%, respectively, for the years following FY 07-08 (see Exhibits F.DD-1 and F.EE-3 in the Department's November 1, 2006 FY 07-08 Budget Request for these growth rates). However, because the expansion population of this waiver program has an enrollment cap of 678, the number of clients is projected to remain level after FY 08-09. See page 13 following this narrative for the Department's projections through FY 10-11.

Estimated expenditures in the Medical Services Premiums line for Children's Home and Community Based Services clients are calculated in the same way as future expenditures in the Mental Health Capitation Payments line item, using the corresponding Medical Services Premiums' per capita costs. Enrollment into the Children's Home and Community Based Services waiver program is capped, therefore enrollment will never exceed the 678 client cap (FY 06-07 Figure Setting document, March 13, 2006, page 98) unless the Department is given statutory authority to do so. The Department has assumed that per capita growth for Children's Home and Community Based Services clients between FY 07-08 and FY 08-09 to be 0.88%. This rate is the percent change in per capita from FY 06-07's rate of $19,626.04 to FY 07-08's rate of $19,799.50 per Exhibits EA-4 and EA-6 in this November 1, 2006 FY 07-08 Budget Request. See page 12 following this narrative for projections.

The Children's Extensive Support waiver program had 148 individuals on its waitlist when HB 05-1262 passed. HB 05-1262 gave the Department the authority to expand the waiver program and pay for individuals on the Children's Extensive Support waiver program waitlist with Health Care Expansion Fund money. At that time, there were 99 individuals that were already determined to be

Medicaid eligible and could not be funded through Health Care Expansion Fund money. The remaining 49 clients were eligible to be paid for with Health Care Expansion Fund money (FY 06-07 Figure Setting document, March 13, 2006, page 105).

In FY 06-07, the Joint Budget Committee recommended an additional 30 Children's Extensive Support waiver program expansion slots that could be paid for with Health Care Expansion Fund money. However, due to the time involved with enrolling additional clients, the General Assembly appropriated funds in FY 06-07 for only half of the additional waiver slots (Figure Setting, March 13, 2006, page 92). FY 07-08 expenditures for the Children's Extensive Support waiver program through the Mental Health Capitation Payments and Medical Services Premiums line items are expected to equal $49,326 and $1,625,559, respectively.

Beginning in FY 08-09, the Department assumed that per capita growth of 3.76% per annum as noted in Exhibit F.EE-3 in the Department's November 1, 2006 FY 07-08 Budget Request for the Mental Health Capitation Payments line item. There is no caseload growth anticipated due to reaching the enrollment cap of 79 clients.

In FY 07-08, the Department projects Health Care Expansion Fund expenditures of $1,625,559 in Medical Services Premiums (See Exhibit EA-6 in the Department's November 1, 2006 FY 07-08 Budget Request). Looking forward, the Department assumes that caseload in the Children's Extensive Support waiver program will remain level after FY 07-08 due to reaching its statutory cap. However, the Department estimates that the per capita rate will increase 5.58% per year, which is the percent change in the per capita in FY 06-07 of $38,973.13 to the estimated FY 07-08 per capita of $41,153.38 (See Exhibits EA-4 and EA-6 in this November 1, 2006 FY 07-08 Budget Request). See page 12 following this narrative for all Medical Service Premiums projections.

(d) Increase Eligibility to Parents of Eligible Children up to 60% of the Federal Poverty Level

The Tobacco Tax bill (HB 05-1262) also appropriated funds into the Health Care Expansion Fund for health care coverage for parents of children that were eligible for Medicaid or the Children's Basic Health Plan. To provide this coverage, HB 05-1262 created an expanded eligibility category that covers the parents of children enrolled in Medicaid or the Children's Basic Health Plan with incomes up to 60% of the federal poverty level. Implementation of this eligibility category took place on July 1, 2006 and clients that were eligible for this expansion category, dubbed "Parents Plus," were given a new program aid code of "PP" in the Colorado Benefits Management System.

In FY 07-08, caseload is expected to be 6,067 clients with a per capita cost of $2,444.75 (per Exhibit EA-5 of this November 1, 2006 FY 07-08 Budget Request), resulting in anticipated total Health Care Expansion Fund expenditures of $7,416,149. In the years following FY 07-08, the Department estimates that caseload will increase by 0.37% per year. This caseload growth is the estimated caseload growth rate between FY 07-08 and FY 08-09 caseload per Exhibit EB-2 of this November 1, 2006 FY 07-08 Budget Request as developed previously in the removal of the Medicaid asset test section of this report. Per capita growth is expected to decrease by

0.44% per year (Exhibit EC-1, Percent Change from FY 07-08 for Health Care Expansion Fund Low-Income Adults in the Department's November 1, 2006 FY 07-08 Budget Request). Using these growth rates, the Department projects Health Care Expansion Fund expenditures for this eligibility category on page 11 following this narrative.

The Mental Health Capitation Payments line item will also use Health Care Expansion Fund money to pay for adults with children on Medicaid and incomes between 37% and 60% of the federal poverty limit. In FY 07-08, the amount of Health Care Expansion Fund money spent on this population is expected to reach $585,037 (See Exhibit EA-5 of this November 1, 2006 FY 07-08 Budget Request). Going forward, the Department estimates that the FY 07-08 per capita of $192.70 (Exhibit F.GG-4 of this November 1, 2006 FY 07-08 Budget Request) will grow at 3.76% (See Exhibit F.EE-3 of this November 1, 2006 FY 07-08 Budget Request) while the FY 07-08 caseload of 6,072 clients will grow at 1.46% (per Exhibit F.DD-1 of this November 1, 2006 FY 07-08 Budget Request). See page 13 following this narrative for all Mental Health Capitation Payments projections).

(e) Medicaid for Legal Immigrants

The Health Care Expansion Fund is also used to pay for optional legal immigrants that became an expansion population as a result of HB 05-1086. The Department anticipated that a considerable amount of time would be needed to make the necessary changes within the Colorado Benefits Management System, extending beyond the end of FY 05-06, and therefore was required to allocate legal immigrant funding of $6,216,752 in one-twelfth increments over the course of FY 05-06. For FY 06-07, the Department anticipates that the necessary changes to the Colorado Benefits Management System will be completed, allowing the Department to record actual expenditures. As such, when clients come up for re-determination throughout the fiscal year, they will be recoded with a legal immigrant flag. The Department is developing the necessary reports that will track expenditures for the legal immigrant population and anticipates a completion date of November 15, 2006. Medical Services Premiums' Exhibits EA-3 and EA-5 detail estimated expenditures for legal immigrants in FY 06-07 and FY 07-08, respectively.

The Department estimates that total Health Care Expansion Fund expenditures for legal immigrants in FY 07-08 will be $7,616,325. For FY 08-09, FY 09-10, and FY 10-11, the Department assumes that legal immigrant caseload growth will level off to approximately 5.64%. The caseload growth is the percent change from the FY 06-07 caseload of 4,146 clients to the FY 07-08 caseload of 4,380 clients, as stated in Exhibits EA-3 and EA-5 of this November 1, 2006 FY 07-08 Budget Request. The per capita rate growth will continue at 0.97%, calculated as percent change in the per capita from FY 06-07 of $3,212.58 to the FY 07-08 per capita of $3,243.66 per Exhibits EA-3 and EA-5 of this November 1, 2006 FY 07-08 Budget Request. See page 12 following this narrative for details of projected Health Care Expansion Fund expenditures on legal immigrants.

(f) Provide Marketing for the Children's Basic Health Plan

The Tobacco Tax Bill (HB 05-1262) allowed for up to $540,000 to be spent on cost-effective marketing for the Children's Basic Health Plan (see 24-22-117 (2) (a) (II) (G), C.R.S. 2006 for statutory authority). In FY 05-06, a total of $163,063 was paid to the Children's Basic Health Plan's marketing firm, Maximus (see Footnote 4 of the Five Year Outlook, page 10). Initially, the Department believed that clients enrolled into the Children's Basic Health Plan or Medicaid as a result of the marketing expansion would be considered expansion populations and paid for with Health Care Expansion Funds. However, the Joint Budget Committee decided that even though the children are enrolled as a result of the expanded marketing efforts, they cannot be funded with Tobacco Tax money unless they meet one of the other expanded eligibility criteria (Figure Setting, March 13, 2006, page 92). Therefore, the Department will not be tracking clients that enroll into the Children's Basic Health Plan or Medicaid as a result of the additional marketing funds. Going forward, the Department assumes continuation funding for Children's Basic Health Plan marketing.

(g) Presumptive Eligibility for Pregnant Women on Medicaid

The final category of expansion clients covered by the Health Care Expansion Fund is presumptive eligibility for pregnant women in Medicaid. On July 1, 2005, the presumptive eligibility program was reinstated using the same process that was in place for the Children's Basic Health Plan through the Anthem self-funded network. Pregnant women that pass a preliminary screen for Medicaid eligibility at a certified clinic will be covered as part of the presumptive eligibility expansion population. The Department spent $1,322,270 on presumptive eligibility clients in FY 05-06 and anticipates spending $3,428.16 on each of 1,549 clients (per Exhibit EA-3 of this November 1, 2006 FY 07-08 Budget Request) in FY 06-07. The federal financial participation for this population is 50%; thus of the estimated $5,310,220 in total expenditures for presumptive eligibility clients, $2,655,100 is anticipated to be from Health Care Expansion Fund moneys in FY 06-07. The per capita used by the Department is the annualization of the monthly cost estimate of $285.68 for providing acute care services (See exhibit EA-3 of this November 1, 2006 FY 07-08 Budget Request).

In FY 07-08, the Department anticipates 4.9% growth in the presumptive eligibility caseload and 2.6% growth in per capita rates. Caseload growth is estimated as the percent change in caseload in FY 06-07 of 1,549 clients to the estimated caseload in FY 07-08 of 1,625 (See Exhibits EA-3 and EA-5 in this November 1, 2006 FY 07-08 Budget Request). Per capita growth was calculated the same way using $3,428.16 for FY 06-07 and $3,517.56 for FY 07-08 from Exhibits EA-3 and EA-5 in this November 1, 2006 FY 07-08 Budget Request. Applying these growth rates, the Department estimates Health Care Expansion Fund expenditures for presumptive eligibility in FY 07-08 to equal $2,858,018. Going forward, the Department assumes the same expansion client caseload growth of 0.37% as outlined above, and an increase in per capita cost of 7.43% (see Exhibit EC-1, Percent Change from FY 07-08 for Baby Care Adults in the Department's November 1, 2006 FY 07-08 Budget Request). See page 12 following this narrative for all Medical Services Premiums projections.

II. Cash Fund for Health Related Purposes

(a) Old Age Pension Health and Medical Care Fund

The Old Age Pension Health and Medical Care Fund provides revenue for health and medical programs for individuals that qualify for Old Age Pension funds but don't qualify for Medicaid and aren't patients in mental or tuberculosis institutions. In FY 05-06, the Old Age Pension Health and Medical Care Fund received $2,546,580 in Tobacco Tax money. Going forward, the Department estimates the amount of funding available to the Old Age Pension Health and Medical Care Fund according to the original appropriation formula set forth in HB 05-1262. Per 24-22-117, C.R.S. (2006), 3% of tobacco tax revenues shall be deposited into the Cash Fund for Health Related Purposes, 50% of which is then appropriated to the Supplemental Old Age Pension Health and Medical Care Fund. The Department used the Office of State Planning and Budgeting's June 2006 General Revenue projection for estimates of future year's Tobacco Tax revenue to project the Old Age Pension's funding in future years. The anticipated revenues are as follows: $2,389,500 in FY 06-07, $2,307,000 in FY 07-08, $2,230,500 in FY 08-09, $2,169,000 in FY 09-10, and $2,118,000 in FY 10-11.

(b) Pediatric Specialty Hospital Fund

The Pediatric Specialty Hospital Fund, which was also created in HB 05-1262, uses its funds to augment hospital reimbursement rates for regional pediatric trauma centers. Per 24-22-117, C.R.S. (2006), the State shall transfer 3% of total Tobacco Tax revenue into the Cash Fund for Health Related Purposes, 20% of which is allocated to the State General Fund for Health Related Purposes, 50% of which is deposited into the Pediatric Specialty Hospital Fund. Funding for the Pediatric Specialty Hospital Fund did not begin until FY 06-07, when $516,036 was appropriated in the Long Bill (HB 06-1385). Using the Office of State Planning and Budgeting's General Revenue Forecast from June 2006, the Department projects revenue into the Pediatric Specialty Hospital Fund as follows: $461,400 in FY 07-08, $446,100 in FY 08-09, $433,800 in FY 09-10, and $423,600 in FY 10-11.

III. The Primary Care Fund

The Primary Care Fund provides an allocation of moneys to health care providers that make basic health care services available in an outpatient setting to residents of Colorado who are considered medically indigent. Each provider seeking assistance from the Primary Care Fund must submit an application and meet other criteria set forth by the Department. The Fund was authorized under 24-22-117, C.R.S. (2006) and allocates money to the providers based on the portion of medically indigent or uninsured patients serviced by them relative to the total amount of medically indigent or uninsured clients served by all qualified providers. In FY 05-06, the Primary Care Fund was appropriated $44,099,000, equal to 18 months of funding because the Primary Care Fund didn't receive funding for FY 04-05, when the collection of the Tobacco Tax began. Of the amount appropriated in FY 05-06, $99,000 was earmarked for administrative fees. The Primary Care Fund distributes all of its program money each year, though money appropriated for administrative expenses is not always completely spent.

In FY 06-07, the Primary Care Fund was appropriated $32,939,958 for program distributions and $42,316 for Personal Services and Operating expenses. Funding for the Primary Care Fund is based on 24-22-117, C.R.S. (2006) that specifies that the Fund is to receive 19% of total Tobacco Tax revenue. In estimating the amount of funding in future years, the Department uses the Office of State Planning and Budgeting's General Revenue Forecast of June 2006 to obtain total Tobacco Tax revenues. The Department anticipates $29,222,000 in revenue for the Primary Care Fund in FY 07-08, and the next three fiscal years' funding as follows: $28,253,000 in FY 08-09, $27,474,000 in FY 09-10, and $26,828,000 in FY 10-11.

IV. The Prevention, Early Detection, and Treatment Fund (Administered by the Department of Public Health and Environment

(a) The Breast and Cervical Cancer Program

This program uses Tobacco Tax revenue appropriated in HB 05-1262 to increase the number of cancer screenings performed by the Department of Public Health and Environment. In FY 05-06, the Department realized total expenditures for Breast and Cervical Cancer Prevention clients through the Mental Health Capitation Payments and Medical Services Premiums line items in the amount of $355,717 (see the Five Year Outlook, page 10). Per 24-22-117 (2) (d) (I), C.R.S. (2006) the Prevention, Detection, and Early Treatment Fund will receive 16% of total Tobacco Tax revenues. Of this money, the Breast and Cervical Cancer Prevention Program will receive 16% in FY 06-07, 18% in FY 07-08, and 20% for each year afterwards. In FY 06-07, $536,955 in Tobacco Tax funds was appropriated for the Breast and Cervical Cancer Prevention program between the Mental Health Capitation Payments and Medical Services Premiums line items.

(b) Medicaid Disease Management Program

The Medicaid Disease Management Program is designed to fight the rising cost of health care by monitoring and assisting prescription drug utilization by asthma or diabetes clients. 24-22-117, C.R.S, (2006) specifies that the disease management program will receive a transfer of up to $2,000,000 from the Department of Public Health and Environment to administer programs that address cancer, heart disease, and lung disease. The Department is in the process of adopting programs that meet these requirements. In FY 06-07, the Department was appropriated $1,970,388 in Tobacco Tax money in the Long Bill (HB 06-1385) for this program.